GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2582
ANSWERED ON:07.03.2003
ESSENTIAL COMMODITIES ACT, 1955
RENUKA CHOWDHURY

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether agricultural produce like cereals, pulses, oil seeds, cotton, jute, onion, cattle fodder and its processed products etc. are covered under the Essential Commodities Act 1955;

(b) if so, the percentage of total agricultural produce and its processed produce is covered under the Act;

(c) whether coverage of a large number of agricultural produce under the Act is not to deny farmers of benefits of free market and prices being determined by on the basis of demand and supply;

(d) whether coverage of these produce under the Act are not against policies of reforms, liberalization, market-led economy, forward marketing and WTO obligations etc.;

(e) if so, whether the Government would consider to remove some of these items from the purview of the Act; and

(f) if so, the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a) & (b): Yes, Sir. Foodstuffs including edible oilseeds and oils, onion, cattle fodder, including oilcakes and other concentrates, cotton textiles, yarn made wholly from cotton, raw cotton, either ginned or unginned and cotton seed, raw jute and jute textiles are among the 18 classes of commodities declared as 'essential' under the Essential Commodities Act, 1955.

(c) & (d): The Essential Commodities Act, 1955 provides, in theinterests of the general public, for the regulation of production, supply and distribution of, and trade and commerce in certain commodities identified as 'essential' under the Act. These commodities were declared as 'essential' keeping in view their shortage in production. However, the list of essential commodities which stood at 70 in the year1989 has been pruned to 18 at present. In the context of the liberalization of the economy and the changed situation and in order to facilitate free trade and movement of foodgrains and to enable farmers to get best prices for their produce, achieve price stability and ensure availability of foodgrains in deficit areas, the Central Government have issued an order dated 15.2.2002 under the Essential Commodities Act, 1955 removing licensing requirements, stock limits, and movement restrictions on specified foodstuffs, namely wheat, paddy/rice, coarse grains, sugar, edible oilseeds and edible oils.

(e) & (f): The list of essential commodities is reviewed from time to time in light of changes in the economic scenario and particularly with regard to their production and supply. Facilitating further liberalization of the economy, free trade, easier availability and more stable prices, out of 29 items earlier declared as essential under the Essential Commodities Act, 1955 which were subjected to various controls, Central Government have, by notifications dated 15.2.2002, removed the following items from the purview of the Essential Commodities Act:-

1. Cement

2. Textiles Machinery:-

(i) Knitting Machine,
(ii) Spinning Machine,
(iii) LaceMaking Machine,

(iv) Powerloom and
(v) Processing Machinery.

3. Textiles made from silk.

4. Textiles made wholly or in part from man-made cellulosic and non-cellulosic spun fibres.

5. Textiles made wholly or in part from man-made cellulosic and non-cellulosic filament yarn.
6. General Lighting Service Lamps.

7 Household appliances such as electric irons, heaters andthe like.

8. Electrical Cables and Wires.

9. Man-made cellulosic and non-cellulosic staple fibres.
10. Yarn made wholly or in part from any of the followingmaterials, namely:-

(i) wool
(ii) man-made cellulosic spun fibre,
(iii) man-made non-cellulosic spun fibre,
(iv) silk.
11.
(i) Man-made cellulosic and Non-cellulosic filament yarn,
(ii) Nylon Tyre Yarn/Cord/Fabric.
12.
(i) Switches for domestic and similar purposes
(ii) 2-AMP Switches,
(iii) 3-Pin Plugs and Sockets outlets.